

## **Agenda Item 2. Continue Discussion of 5-year review of the Group Disability Income Standards**

PSC members discussed the outstanding questions in the ACLL response. ACLI said that the Compact required a benefit for mental disorders in addition to the maximum benefit for all conditions. Andria Seip led the discussion on lifetime maximums and whether there was a separate benefit period requirement for mental and nervous and chemical dependency benefits. She noted that the Permissible Limitations and Exclusions was clear for Chemical Dependency Benefits that the benefits were subject to the maximum benefit period.

### **C. CHEMICAL DEPENDENCY**

- (1) Subject to the applicable law in the state where the policy is delivered or issued for delivery, *Disability* that results from alcoholism or drug addiction may be limited or excluded. If coverage is to be limited, coverage shall be provided for a period specified in the certificate, not less than 12 months or the maximum *Benefit Period*, whichever is less.

Andria suggested amending the mental or nervous disorders section to add “or the maximum Benefit Period, whichever is less”

### **O. MENTAL OR NERVOUS DISORDERS**

- (1) Subject to the applicable law in the state where the policy is delivered or issued for delivery, *Disability* that results from *Mental or Nervous Disorders* may be limited or excluded. If coverage is to be limited, coverage shall be provided for a period specified in the certificate, not less than 12 months **or the maximum Benefit Period, whichever is less.**

There was discussion about whether this change addressed the ACLI concern. Andria Seip asked the Compact Office to share the draft with the ACLI for comment.

The next item was the ACLI request to modify

§ 9. BENEFIT PROVISIONS B. DISABILITY BENEFITS REDUCED ON ACCOUNT OF OTHER BENEFITS OR INCOME section to add paid family and medical plans. The PSC members discussed the variation among state laws. There was a question as to the amount of benefits available under the group disability insurance plan after the state leave benefits were paid. The PSC reviewed the ACLI proposed language and suggested adding “if permitted by state law”.

Current (c) would be deleted and replaced with the ACLI draft plus the language added in red.

(1)The *Disability* benefits payable under the certificate may be reduced by the following other benefits or income sources from:

~~(c)Disability benefits under state disability plans, such as California, Hawaii, New Jersey, New York, Puerto Rico and Rhode Island~~

(c) Benefits payable for disability under state or federal disability income plans, paid family and medical leave plans, or other similar governmental compulsory plans, **if permitted by state law.**

Andria Seip asked the Compact Office to share the draft with the ACLI and to ask if the benefits under governmental plans would reduce the benefits available under the group disability insurance coverage.

The other items will be discussed on the July 23 regulator call.

### **Agenda Item 3. Review Group Disability Income Standards for Other Than Employer Groups**

This review of the revised rate standards will be moved to the next call.

### **Agenda Item 4. Discuss questions about Value-Added Benefits**

This agenda item will be moved to the next call.

### **Agenda Item 5. Any Other Matters**

Andria Seip asked members to review the questions for the Value-Added survey for discussion on the July 23 regulator call. The Compact Office advised that the Compact will be submitting a request for a SERFF type of insurance for index-linked variable annuities. Karen Schutter reminded PSC members that requests for new or amended standards are due June 30. There is a form to request changes on the Compact website.

The next meeting of the PSC will be a public call on July 9. There were no other matters.